

EXHIBIT 78

Jason M. Rudd
Texas State Bar No. 24028786
jason.rudd@wickphillips.com
Lauren K. Drawhorn
Texas State Bar No. 24074528
lauren.drawhorn@wickphillips.com
WICK PHILLIPS GOULD & MARTIN, LLP
3131 McKinney Avenue, Suite 500
Dallas, Texas 75204
Telephone: (214) 692-6200
Fax: (214) 692-6255

**COUNSEL FOR NREP, HCMS, NREC,
THE REAL ESTATE ADVISORS, NMCT,
NREF, NXRT, NHT, AND VB (AS DEFINED BELOW)**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.	§	Case No.: 19-34054-sgj11
	§	
Debtor.	§	

**NOTICE AND DISCLOSURE OF NEXPOINT RE
ENTITIES AND HIGHLAND CAPITAL MANAGEMENT SERVICES INC.
IN RESPONSE TO COURT'S SUA SPONTE ORDER REQUIRING DISCLOSURES**

NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC ("NREP"), NexPoint Real Estate Capital, LLC ("NREC"), NexPoint Real Estate Advisors, L.P., NexPoint Real Estate Advisors II, L.P., NexPoint Real Estate Advisors III, L.P., NexPoint Real Estate Advisors IV, L.P., NexPoint Real Estate Advisors V, L.P., NexPoint Real Estate Advisors VI, L.P., NexPoint Real Estate Advisors VII, L.P., NexPoint Real Estate Advisors VIII, L.P. (collectively, the "Real Estate Advisors"), NexPoint Real Estate Finance Inc. ("NREF"), NexPoint Residential Trust, Inc. ("NXRT"), NexPoint Hospitality Trust ("NHT"), NexPoint Multifamily Capital Trust, Inc. ("NMCT"), VineBrook Homes, Trust, Inc. ("VB"), and Highland Capital Management Services, Inc. ("HCMS"), by and through their undersigned counsel, make the following disclosures (the



“Disclosures”) as required by this Court’s June 18, 2021 *Order Requiring Disclosures* [Dkt. No. 2460] (the “Order”).

I. DISCLOSURES

A. NexPoint Real Estate Partners, LLC f/k/a HCRE Partners, LLC.

1. NREP ownership, officers, directors, managers, and/or trustees.

<u>Owners</u>	<u>Type</u>	<u>%</u>	<u>Manager</u>	<u>Officers</u>
The Dugaboy Investment Trust	Member	70	James Dondero	Matt McGraner – Vice President Scott Ellington – Secretary
Highland Capital Management Real Estate Holdings I, LLC	Member	25		
Highland Capital Management Real Estate Holdings II, LLC	Member	5		

2. NREP ownership interest (direct or indirect) held by Mr. Dondero and/or his family trusts and percentage of such ownership.

The Dugaboy Investment Trust owns a 70% interest in NREP.

3. NREP’s status as creditor of the Debtor.

NREP timely filed a proof of claim against the Debtor’s estate on April 8, 2020. [Proof of Claim No. 146]. The Debtor objected to the NREP Proof of Claim through its First Omnibus Objection [Dkt. No. 906]. On October 19, 2020, NREP filed its Response, asserting a claim against the Debtor because the SE Multifamily Holdings LLC company agreement improperly allocates the ownership percentages of the members due to mutual mistake, lack of consideration, and/or failure of consideration and seeking to reform, rescind, and/or modify the company agreements (the “Contested Matter”). [Dkt. No. 1212]. The Contested Matter is not yet resolved; however, the result of a finding in favor of NREP will result in the modification of the SE Multifamily Holdings, LLC company agreement, not a setoff against the Debtor’s estate.¹

¹ The Debtor filed a Motion to Compel Disqualify Wick Phillips Gould & Martin (“WPGM”) from representing NREP in the contested matter only. [Dkt. No. 2196]. Wick Phillips disputes the Debtor’s allegations in the Motion for the reasons set forth in Wick Phillips’ Response and Brief in Opposition [Dkt. Nos. 2278, 2279]. The hearing on the Debtor’s Motion is currently set for October 25, 2021. [Dkt. No. 2361].

The Debtor also initiated an adversary proceeding, Adversary No. 21-03007, against NREP based on certain demand and promissory notes. NREP filed its First Amended Answer to the Debtor's Complaint on June 11, 2021. [Dkt. No. 34]. In addition, NREP filed a Motion to Withdraw the Reference and Brief in Support on June 3, 2021. [Dkt. Nos. 20, 21]. A status conference on the Motion to Withdraw the Reference was held on July 8, 2021. [Dkt. No. 30].

B. Highland Capital Management Services, Inc.

1. HCMS ownership, officers, directors, managers, and/or trustees.

<u>Owners</u>	<u>Type</u>	<u>%</u>	<u>Director</u>	<u>Officers</u>
James Dondero	Shareholder	75	James Dondero	James Dondero – President
Mark Okada	Shareholder	25		Scott Ellington – Secretary Frank Waterhouse – Treasurer

2. HCMS ownership interest (direct or indirect) held by Mr. Dondero and/or his family trusts and percentage of such ownership.

Mr. Dondero owns 75% of the direct ownership interest in HCMS.

3. HCMS' Status as creditor of the Debtor.

HCMS timely filed two proofs of claim against the Debtor's estate on April 23, 2020 [Proofs of Claim Nos. 175, 176]; however, such claims were expunged on October 20, 2020. [Dkt. No. 1233].

The Debtor initiated an adversary proceeding, Adversary No. 21-03006, against HCMS based on certain demand and promissory notes. HCMS filed its First Amended Answer to the Debtor's Complaint on June 11, 2021. [Dkt. No. 34]. In addition, NREP filed a Motion to Withdraw the Reference and Brief in Support on June 3, 2021. [Dkt. Nos. 19, 20]. A status conference on the Motion to Withdraw the Reference was held on July 8, 2021. [Dkt. No. 29].

C. NexPoint Real Estate Capital, LLC.**1. NREC ownership, directors, officers, managers, and/or trustees.**

<u>Owner</u>	<u>Type</u>	<u>%</u>	<u>Manager</u>
NexPoint Strategic Opportunities Fund	Member	100	NexPoint Strategic Opportunities Fund

2. HCMS ownership interest (direct or indirect) held by Mr. Dondero and/or his family trusts and percentage of such ownership.

Mr. Dondero and/or his family trusts have an indirect ownership interest in NREC through their ownership of 7.43% of shares of NREC's sole member, NexPoint Strategic Opportunities Fund.

D. NexPoint Real Estate Advisors, LP; NexPoint Real Estate Advisors II, LP; NexPoint Real Estate Advisors III, LP; NexPoint Real Estate Advisors IV, LP; NexPoint Real Estate Advisors V, LP; NexPoint Real Estate Advisors VI, LP; NexPoint Real Estate Advisors VII, LP; and NexPoint Real Estate Advisors VIII, LP.**1. The Real Estate Advisors' ownership, directors, officers, managers, and/or trustees.²**

<u>Owners</u>	<u>Type</u>	<u>%</u>	<u>Manager</u>	<u>Officers</u>
NexPoint Real Estate Advisors GP, LLC	General Partner	0.1	NexPoint Real Estate Advisors GP, LLC, the General Partner	James Dondero – President Scott Ellington – GC/Secretary Brian Mitts – EVP Matt McGraner – EVP
NexPoint Advisors, LP	Limited Partner	99.9		Frank Waterhouse – Treasurer Dustin Norris – Asst. Treasurer

2. The Real Estate Advisors ownership interest (direct or indirect) held by Mr. Dondero and/or his family trusts and percentage of such ownership.

Mr. Dondero has a .01% indirect ownership interest in the Real Estate Advisors through their General Partner, NexPoint Advisors GP, LLC, of which Mr. Dondero is the sole member (100%). Mr. Dondero's family trusts have a 99.9% indirect ownership interest in the Real Estate Advisors through their Limited Partner, NexPoint Advisors, LP.

² The ownership, directors, and officers are the same for each of the Real Estate Advisors entities.

E. NexPoint Multifamily Capital Trust Inc.**1. NMCT ownership, directors, officers, managers, and/or trustees.**

<u>Owner</u>	<u>Type</u>	<u>%</u>	<u>Manager</u>	<u>Officers</u>
NHT Operating Partnership, LLC	Member	100	N/A	James Dondero – President Scott Ellington – GC/Secretary Brian Mitts – CFO/EVP-Finance/Treasurer Matt McGraner – CIO/EVP Matt Goetz – VP-Investment & Asset Mgmt.

2. NMCT ownership interest (direct or indirect) held by Mr. Dondero and/or his family trusts and percentage of such ownership.

NMCT is wholly owned by NHT Operating Partnership, LLC, the operating partnership of NHT (defined below). Any indirect ownership of Mr. Dondero and his family trusts are set forth in Exhibit A next to NHT.

F. NexPoint Real Estate Finance Inc, NexPoint Residential Trust Inc., NexPoint Hospitality Trust, and VineBrook Homes Trust, Inc.

NexPoint Real Estate Finance, Inc. (“NREF”), NexPoint Residential Trust Inc. (“NXRT”), NexPoint Hospitality Trust (“NHT”), and VineBrook Homes Trust, Inc. (“VB” and together with NREF, NXRT, and NHT, the “Public Entities”) are all governed by a Board of Trustees or Directors (depending on its form of organization). Shares of NXRT and NREF are publicly held by investors and are traded on the New York Stock Exchange. Shares of NHT are publicly held by investors and are traded on the TSX Venture Exchange. As such, each of NREF, NXRT, and NHT are owned by “retail” investors, meaning public shareholders that trade interests daily on the public markets. Because many of the shares of NREF, NXRT, and NHT are held in omnibus accounts or “street names,” the actual number of shareholders is greater than the total number of account holders. Accordingly, it is not possible to list all the owners of the Public Entities publicly or by name. Shares of VB are not publicly traded but are owned by over 2,000 individual shareholders. Additionally, VB is conducting a continuous placement of its Class A common stock and, as a

result, the number of shareholders continues to increase on an ongoing basis. As such, while possible, it is not practicable to list the owners of VB publicly or by name.

The directors/trustee, officers, directors, and Mr. Dondero's and/or his family trusts' interest in the Public Entities are set forth in the chart attached to these Disclosures as **Exhibit A**.

G. The Public Entities, NREC, NMCT, and the Real Estate Advisors' status as creditors of the Debtor.

The Public Entities, NREC, NMCT and the Real Estate Advisors are not creditors of the Debtor.³ Other than the filing an Objection to Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor and Request for Protective Order [Dkt. 847] and a Joinder to Highland Capital Management Fund Advisors, LP, NexPoint Advisors, LP, and Related Funds' Objection to Confirmation of the Debtor's Fifth Amended Plan of Reorganization [Dkt. No. 1677], the Public Entities, NREC, NMCT, and the Real Estate Advisors have not otherwise been involved in the Bankruptcy Case.

³ The Public Entities, NREC, NMCT, and the Real Estate Advisors objected to the Official Committee of Unsecured Creditors' Emergency Motion to Compel Production by the Debtor [Dkt. No. 808] based on the fact that it required disclosure of data and information belonging to the Public Entities, NREC, NMCT and the Real Estate Advisors were housed on the Debtor's servers pursuant to various shared services agreements.

Respectfully submitted,

/s/ Lauren K. Drawhorn

Jason M. Rudd

Texas Bar No. 24028786

Lauren K. Drawhorn

Texas Bar No. 24074528

WICK PHILLIPS GOULD & MARTIN, LLP

3131 McKinney Avenue, Suite 500

Dallas, Texas 75204

Telephone: (214) 692-6200

Fax: (214) 692-6255

Email: jason.rudd@wickphillips.com

lauren.drawhorn@wickphillips.com

**COUNSEL FOR NREP, HCMS, NREC, THE REAL
ESTATE ADVISORS, NMCT, NREF, NXRT, NHT,
AND VB**

CERTIFICATE OF SERVICE

I hereby certify that on July 9, 2021, a true and correct copy of the foregoing Joinder was served via the Court's CM/ECF system upon counsel for the Debtor and all other parties requesting or consenting to such service in this bankruptcy case.

/s/ Lauren K. Drawhorn

Lauren K. Drawhorn

EXHIBIT A
Disclosures

Name	Ticker	Owners	Ownership Type	Ownership %	Dondero or Family Trust Ownership %	Director/Manager/Trustee	Officers
NexPoint Real Estate Finance Inc.	NREF	Various retail Investors.	Shareholders	Varies	James Dondero owns approx. .3323% of the total shares. The Dugaboy Trust owns approx. 3.013% of the total shares.	<u>Directors</u> James Dondero (Chairman) Brian Mitts Edward Constantino (Ind. Dir) Scott Kavanaugh (Lead Ind. Dir) Arthur Laffer (Ind. Dir) Catherine Wood (Ind. Dir)	James Dondero-President Brian Mitts-CFO/EVP-Finance/ Secretary/Treasurer Matt McGraner-CIO/EVP Matt Goetz-SVP-Investments & Asset Mgmt Paul Richards-VP-Originations & Investments David Willmore-VP-Finance
NexPoint Residential Trust Inc.	NRXT	Various retail Investors.	Shareholders	Varies	James Dondero directly or indirectly owns approx. 8.23% of the total shares.	<u>Directors</u> James Dondero Brian Mitts Edward Constantino Scott Kavanaugh Arthur Laffer Catherine Wood	James Dondero-President Brian Mitts-CFO/EVP-Finance/Secretary/Treasurer Matt McGraner-EVP/CIO Matt Goetz-SVP-Investment & Asset Mgmt DC Sauter-General Counsel
NexPoint Hospitality Trust	NHT-U.V	Various retail Investors NexPoint Strategic Opportunities Fund (45.91%) Liberty CLO Holdco, Ltd. (7.13%) Highland Dallas Foundation (5.15%) NHT Holdco, LLC (5.87%) The Debtor (5.03%) Governance RE Ltd. (3.62%)	Shareholders	Varies	James Dondero and his family trusts own approx. 18.56% of the total shares.	<u>Trustees</u> Neil Labatte (independent) Graham Sens (Indepent) James Dondero	James Dondero - CEO Brian Mitts - CFO, EVP-Finance, Treasurer, Corporate Secretary Matt McGraner - CIO, EVP Jessie Blair III - EVP, Head of Lodging Paul Richards - VP, Asset Management
VineBrook Homes Trust, Inc.	N/A	Various.	Shareholders	Varies	James Dondero owns approx. .09% of the total shares.	<u>Directors</u> James Dondero Brian Mitts Ed Constantino Scott Kavanaugh Art Laffer Dana Sprong	James Dondero-CEO/President Matt McGraner-EVP/CIO/Secretary Brian Mitts-CFO/Treasurer/Asst Secretary Dana Sprong-SVP-Acquisition & Disposition Ryan McGarry-SVP-Asset Mgmt